IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

GALLERIA 2425 OWNER, LLC Debtor.	<pre>\$ Chapter 11 \$</pre>
GALLERIA 2425 OWNER, LLC Appellant,	\$ \$ \$
v. NATIONAL BANK OF KUWAIT, S.A.K.P., NEW YORK BRANCH; CHRISTOPHER R. MURRAY, TRUSTEE Appellees.	<pre></pre>

APPELLEES' LIMITED OBJECTION TO MOTION TO WITHDRAW AS COUNSEL

Appellees ("<u>Appellees</u>") Christopher R. Murray, in his capacity as liquidation trustee (the "<u>Trustee</u>") in the above-captioned chapter 11 case (the "<u>Bankruptcy Case</u>"), ¹ and National Bank of Kuwait, S.A.K.P., New York Branch ("<u>NBK</u>"), object to the *Motion to Withdraw as Counsel* (the "<u>Motion</u>") filed by Barron & Newburger, P.C. ("<u>Counsel</u>") [ECF No. 19] and state as follows:

OBJECTION

1. Although Counsel reports that Appellant 2425 WL, LLC "has substantially failed to honor its financial obligations" and that it notified Appellant of its intent to withdraw if Appellant did not comply with its obligations to pay for legal services, Motion at ¶¶ 2 and 3,

¹ The Trustee previously served as chapter 11 trustee for Galleria 2425 Owner, LLC ("<u>Debtor</u>").

payment failure and notice do not always mean that sufficient "good cause" exists for this Court to exercise its discretion to authorize withdrawal. *See Augustson v. Linea Aerea Nacional-Chile S.A. (LAN-Chile)*, 76 F.3d 658, 663 (5th Cir. 1996); *In re Matter of Wynn*, 889 F.2d 644, 646 (5th Cir. 1989); and *Fed. Trade Comm'n v. Intellipay, Inc.*, 828 F.Supp. 33, 34 (S.D. Tex. 1993).

- 2. A significant question in assessing "good cause" is to evaluate whether withdrawal would cause "undue delay in the proceedings" or whether withdrawal is in "the interests of justice." *Broughten v. Voss*, 634 F.2d 880, 882 (5th Cir. 1981). Local District Court Rule 83.2 (Withdrawal of Counsel) enforces this proscription stating that "no delay will be countenanced because of a change in counsel."
- 3. Counsel filed the Motion without substitute counsel in place, and in the 17 days since the Motion was filed, no substitute counsel has appeared for Appellant.
- 4. At this time, the initial briefs of both Appellant and Appellees have been filed (*See* ECF Nos. 6 and 21), and the deadline for Appellant to file a reply to Appellees' opening brief is October 2, 2024. *See* Fed. R. Bankr. 8018(a)(3).
- 5. Appellees also have moved to dismiss the Appeal for lack of standing and because it is moot. [ECF No. 22] The deadline for responding to the motion to dismiss was September 25, 2024. *See* Fed. R. Bankr. 8013(a)(3). No response to the motion to dismiss was filed.
- 6. With two pending matters before the Court, permitting Counsel to withdraw without substitute counsel in place now could unnecessarily delay the resolution of this Appeal. Substitute counsel is imperative to avoid delay because Appellant cannot appear in federal court without an attorney. Without an attorney, Appellant's Appeal must be dismissed. *See, e.g., Searcy v. Houston Lighting & Power Co.*, 907 F.2d 562, 564 (5th Cir. 1990) (dismissing corporation's appeal because it "was not represented by counsel."); *Donovan v. Road Rangers Country Junction*,

Inc., 736 F.2d 1004, 1005 (5th Cir. 1984) (dismissing appeal because corporation appeared without counsel).

Conclusion

For the foregoing reasons, the Court either should (a) deny the Motion unless substitute counsel appears promptly and commits to meeting existing deadlines in this Appeal or (b) allow the Motion and dismiss the Appeal.

DATED: September 26, 2024 PILLSBURY WINTHROP SHAW PITTMAN LLP

/s/ Charles C. Conrad
Charles C. Conrad
Texas State Bar No. 24040721
Ryan Steinbrunner
Texas State Bar No. 24093201
609 Main Street Suite 2000
Houston, TX 77002
Telephone: (713) 276-7600
Facsimile: (713) 276-7634
charles.conrad@pillsburylaw.com
ryan.steinbrunner@pillsburylaw.com

- and -

Andrew M. Troop (Bar No. MA547179)
Patrick E. Fitzmaurice*
Kwame O. Akuffo*
31 West 52nd Street
New York, NY 10019-6131
Telephone: (212) 858-1000
Facsimile: (212) 858-1500
andrew.troop@pillsburylaw.com
patrick.fitzmaurice@pillsburylaw.com
kwame.akuffo@pillsburylaw.com

Counsel for Appellee National Bank of Kuwait, S.A.K.P., New York Branch

^{*}Admitted pro hac vice

DATED: September 26, 2024

SHANNON & LEE LLP

/s/ R.J. Shannon

R. J. Shannon S.D. Tex. Bar No. 3196214 Tex. Bar No. 24108062 2100 Travis Street, Suite 1525 Houston, TX 77002 Telephone: (713) 714-5770

Facsimile: (833) 71405770 rshannon@shannonleellp.com

Counsel for Appellee Christopher R. Murray, Trustee

CERTIFICATE OF SERVICE

I hereby certify that, on September 26, 2024, a true and correct copy of this document was served via the Court's CM/ECF system on the liquidation trustee, Appellant's counsel of record and all others who are deemed to have consented to ECF electronic service, and also by mailing, first class, postage prepaid, to each of the parties on the attached service list.

/s/ Charles C. Conrad
Charles C. Conrad

Service List

Appellant's Counsel:

Stephen W. Sather Barron and Newburger P.C. 7320 N. MoPac Expwy, Suite 400 Austin, TX 78731

Liquidation Trustee:

Christopher R. Murray 602 Sawyer Street Ste 400 Houston, TX 77007

Liquidation Trustee's Counsel:

R. J. Shannon Shannon & Lee LLP 2100 Travis Street Ste 1525 Houston, TX 77002

U.S. Trustee:

Office of United States Trustee Attn: Jana Smith Whitworth 515 Rusk Street Suite 3516 Houston, TX 77002

2425 WL, LLC

c/o Ali Choudhri 1001 West Loop South Houston, TX 77027